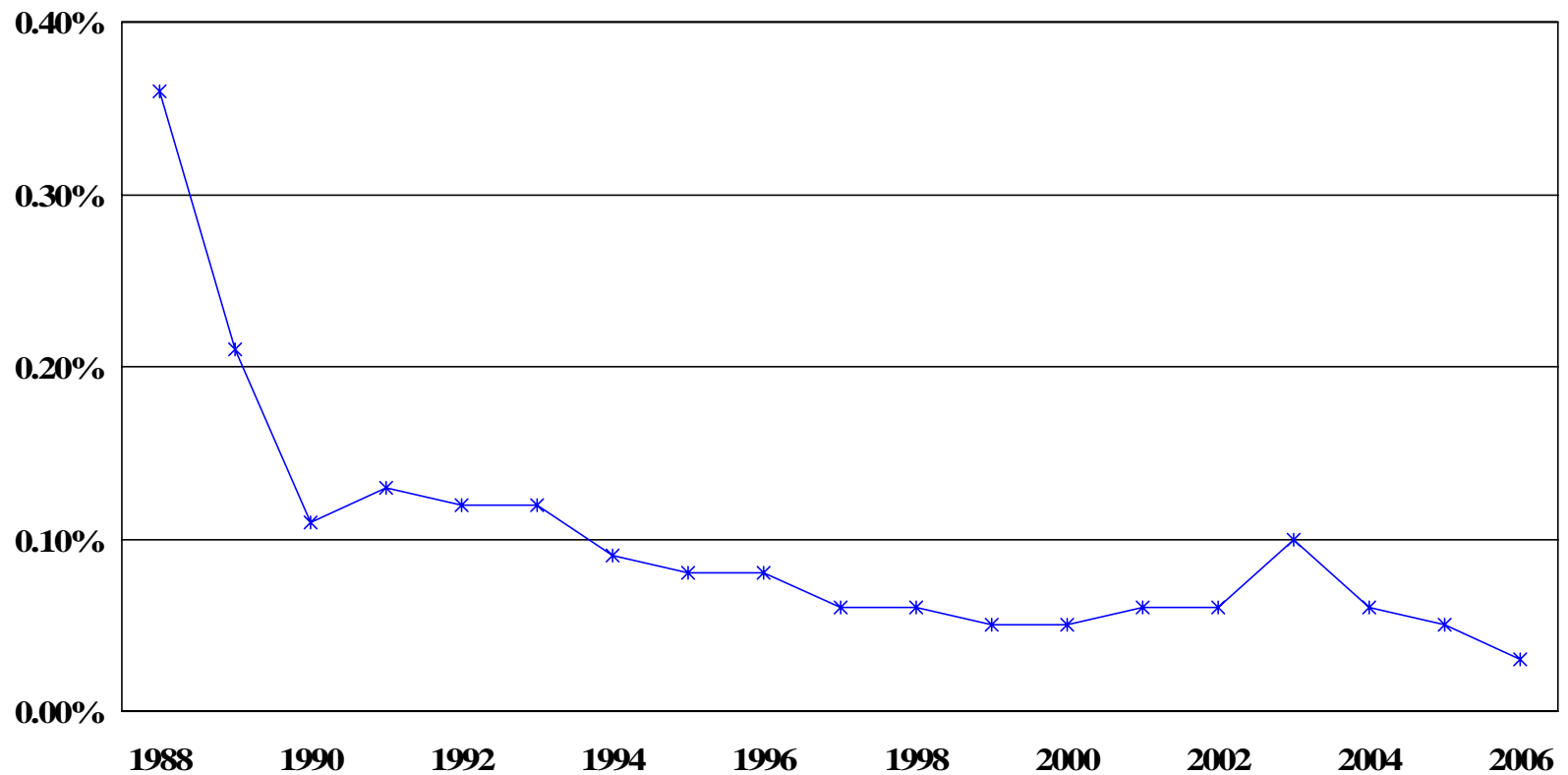




TSP Expense Ratio

1988-2006



The TSP expense ratio is the annual amount of accrued TSP administrative expenses, after forfeitures, charged to participant accounts, expressed as a percent of the average assets for that year. It represents a blended ratio for all TSP funds.

Expense ratios may also be expressed in basis points. One basis point is 1/100th of one percent, or .01%. Therefore, the 2006 expense ratio of .03% is "3 basis points." Expressed either way, this means that expenses charged to each TSP account in 2006 were approximately 30 cents per \$1,000 of investment.